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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/329,487	06/10/1999	MITCHEL KRISS	29284/35302	8147
<div>7590 10/09/2007 SCHIFF, HARDIN & WAITE Patent Department- 71st floor 233 South Wacker Drive Chicago, IL 60606-6473</div>			<div>EXAMINER NORMAN, MARC E</div>	
			<div>ART UNIT 3744</div>	<div>PAPER NUMBER</div>
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/329,487

Applicant(s)

KRISS ET AL.

Examiner

Marc E. Norman

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 July 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-53 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4, 30, 31, 39-43 and 48-53 is/are rejected.
- 7) ☒ Claim(s) 5-29, 32-38 and 44-47 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION***Response to Arguments***

Applicant's arguments, see Appeal Brief, filed 5 July 2007, with respect to the rejection(s) of claim(s) 1-53 under 35 U.S.C. 101 have been fully considered in Appeal Conference and have been deemed persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of the previously applied prior art in light of the applicability of the recent Supreme Court KSR decision to the present case. The Examiner again apologizes for the extended prosecution of this case, but this new rejection is deemed proper and necessary.

Preliminary Discussion

In the previous Office Action of 3 October 2005, rejections under 35 U.S.C. 103 were made of claims 1-4, 30, 31, 39-43, 48, and 49 as being unpatentable over Klepacki in view of Yamamoto et al. Applicant's response filed 10 January 2006 overcame that rejection, as indicated in the subsequent Office Action of 31 March 2006. In particular, Applicant argued that it would not have been obvious to produce the claimed invention based on the information disclosed in these references. Specifically, Applicant argued that Klepacki only teaches determining the market share of other suppliers, which is only indicative of the piece that each retailer has of the market pie, and that it is not useful in estimating the purchases made by the customers of one supplier from other suppliers. Applicant further argued that Yamamoto does not solve this issue. At the time, the Examiner accepted Applicant's arguments since the specific

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motivation for the improvement regarding applying the data collected in the panel data of Klepacki to estimating the purchases made by the customers of one supplier from other suppliers was not explicitly set forth in the references. However, as discussed below in the summary of the KSR decision, the Supreme Court established that the Examiner should not be rigidly restricted to the elements of the prior art to solve the problem, and that a person of ordinary skill attempting to solve a problem would not be led only to those elements of prior art designed to solve the same problem.

KSR International Co. v. Teleflex Inc.

Teleflex owned a patent claiming technology useful in the gas pedal of a car. The invention at issue in KSR was a pedal assembly that could be adjusted to accommodate drivers of different statures. The electronic pedal position sensor was positioned on the support for the pedal assembly, and the pivot point of the pedal remained fixed regardless of how the pedal assembly was adjusted. This combination of the fixed pivot point for the adjustable pedal and the fixed sensor position on the support resulted in a simpler, lighter, and more compact design.

Teleflex sued KSR for infringement. The district court cited references that separately taught adjustable pedals and sensors, and found on summary judgment that Teleflex's patent was invalid for obviousness. On appeal, the Federal Circuit vacated the district court's decision, and remanded the case. The Federal Circuit stated that "the district court's analysis applied an incomplete teaching-suggestion-motivation test" in arriving at the finding of obviousness.

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Upon KSR's petition for review of the Federal Circuit's decision, the Supreme Court reversed, concluding that the district court had correctly determined that the patent was invalid for obviousness. The Supreme Court reaffirmed the framework for determining obviousness as set forth in *Graham v. Deere*, but stated that the Federal Circuit had erred in four ways:

- (1) "by holding that courts and patent examiners should look only to the problem the patentee was trying to solve"
- (2) by assuming "that a person of ordinary skill attempting to solve a problem will be led only to those elements of prior art designed to solve the same problem"
- (3) by concluding "that a patent claim cannot be proved obvious merely by showing that the combination of elements was 'obvious to try'"
- (4) by overemphasizing "the risk of courts and patent examiners falling prey to hindsight bias" and as a result applying "rigid preventative rules that deny factfinders recourse to common sense."

In light of the above findings, the Supreme Court stated that the operative question when considering obviousness is thus "whether the improvement is more than the predictable use of prior art elements according to their established functions."

In view of this Supreme Court decision, the Examiner has determined that the new rejections set forth below are required since, although specific motivation for arriving at Applicant's claimed invention is not explicitly set forth in the applied references, Applicant's invention would in fact have been obvious to one of ordinary skill in the art since it involves applying known statistical techniques to a given set of data to arrive at a result that would have

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been an obvious and predictable course of endeavor to one of ordinary skill in the art within the context of well-established market forces, as explained fully in the rejections set forth below.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-4, 30, 31, 39-43, and 48-53 are rejected under 35 U.S.C. 103(a) as being unpatentable over Klepacki in view of Yamamoto et al., and further in view of the Supreme Court's *KSR International Co. v. Teleflex Inc.* decision.

As per claims 1, 30, 39, and 43, Klepacki teaches reading panelist data (TEXT, line 9), regarding purchase from a supplier of interest (TEXT, lines 6-8) and from other suppliers (TEXT, lines 9-10, 25, 41-43), and determining general relationships therebetween (other retailer shares of product sales (TEXT, line 25) is a share (i.e., a percentage of a total), and thus is related to the share of product sales of the supplier of interest). Klepacki does not discuss using a

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relationship between the two sets of customer purchase data in conjunction with reading overall customer data regarding purchases from the supplier of interest to estimate the purchases made by the overall customers from the other suppliers.

As indicated in the Klepacki reference, it is in a supplier's interest to know what their customers are buying from their competitors (TEXT, lines 9-10, 25, 41-43). Further, there are whole fields of market research dedicated to both understanding/modeling customer behavior (see discussion within Klepacki regarding product mix (TEXT, lines 28-38) and customer loyalty (TEXT, lines 44-49); see also as a general reference on this topic "The where's and why's behind home and personal care purchases..." Drug Store News, 1998) and to understanding competitor sales. Klepacki teaches using panelist surveys to collect all of the required data for Applicant's claimed invention. The market forces are clearly established that a supplier is interested in both the purchasing trends of their customers and the sales trends of their competitors. Understanding both, and especially their customer's activities with their competitors, provides a clear, obvious, and predicable business advantage in terms of developing market-based business decisions. To the extent that the data is made available (as is the case from the panelist data in the Klepacki reference), it is an obvious and predictable next step to one of ordinary skill in the art to use that data to see what a supplier's customers are buying from its competitors.

Further, as previously discussed, this is simply a matter of linearly scaling up the data to the overall customer population. It is generally well known to take a sample and generalize, infer or extrapolate the response from the sample to the population as a whole. As has been discussed previously, Yamamoto teaches the basic concept of determining the purchases made

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by an overall customer population by scaling up data regarding purchases from a surveyed sample shop (value in parentheses at column 8, line 18) using a relationship between panelist data and overall customer data (ratio at column 8, lines 21-29). It would have been obvious to one of ordinary skill in the art at the time of the invention to apply such scaling up of the data collected by Klepacki for the purpose understanding the purchasing trends of the overall customer base. Motivation for applying such scaling up to the Klepacki reference comes from the fact that it is well known that businesses monitor their product mix and try to get their customers to buy more when they are in the store vs. what they buy from competitors (again, see discussion within Klepacki regarding product mix (TEXT, lines 28-38) and customer loyalty (TEXT, lines 44-49); see also again as a general reference on this topic "The where's and why's behind home and personal care purchases..." Drug Store News, 1998).

It is clearly in a business's interest to know what its customers are purchasing from its competitors. Given the data collected by Klepacki, such determination is a simple and obvious calculation using well-established basic scaling techniques to achieve a predictable result to one of ordinary skill in the art within the context of the well established market forces that businesses are interested in collecting information about both customer behavior and competitor sales and activities.

As per claims 2, 31 and 50-53, Klepacki further teaches aggregating data according to category (e.g., types of products).

As per claim 3, Klepacki teaches the collected data being in terms of dollars spent.

As per claim 4, Klepacki teaches determining the share for the supplier and for competitors (TEXT, line 25).

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As per claims 40-42, 48, and 49, these claims are rejected for similar reasons as have already been addressed above regarding claims 1, 30, 39, and 43.

Reminder of 37 C.F.R. 1.105 Requirement

Applicant is also once again reminded of the requirement under 37 C.F.R. 1.105 that was sent to Applicant in the earlier Office Action of 11 September 2002. Based on the teachings of Klepacki, it appears that the Assignee of this case was at least active in collecting panelist data regarding purchases of a supplier's customers from its competitors a full five years before the present Application was filed. Applicant is reminded of the requirement to disclose any related or pertinent products or services provided by Applicant in the marketplace prior to the filing date of this application.

Allowable Subject Matter

Claims 5-29, 32-38, and 44-47 are objected to as being dependent upon a rejected base claim, but would be allowable, for the reasons already set forth in previous Office Actions, if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Marc E. Norman whose telephone number is 571-272-4812. The examiner can normally be reached on Mon.-Fri., 8:30-5:00.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Cheryl Tyler can be reached on 571-272-4834. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MN

A handwritten signature in black ink, appearing to read 'M. Norman', with a stylized flourish at the end.

**MARC NORMAN
PRIMARY EXAMINER**